

OFFICE OF FISCAL ANALYSIS

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SR-10

RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE DIVISION OF PUBLIC DEFENDER SERVICES AND THE PUBLIC DEFENDER ATTORNEYS AND SUPERVISING ATTORNEYS, LOCAL 381, AFSCME COUNCIL 4, AFL-CIO.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$	FY 20 \$	FY 21 \$
Pub. Defender Serv. Com.	GF - Cost	(534,414)	788,853	1,306,161	2,659,799
State Comptroller - Fringe Benefits ¹	GF - Cost	(85,506)	117,855	195,140	397,374

Note: GF=General Fund

Municipal Impact: None

Explanation

The resolution proposes approval of an agreement between the Division of Public Defender Services (PDS) and the Public Defender Attorneys and Supervising Attorneys, Local 381, AFSCME Council 4, AFL-CIO. This agreement covers five fiscal years for the period of July 1, 2017 to June 30, 2021.

The estimated impact to FY 18 - FY 21 associated with this agreement is reflected in the table below. There is no fiscal impact in FY 17.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 38.23% of payroll in FY 20 and FY 21.

**Public Defender Attorneys and Supervising Attorneys, Local 381
Cost Estimate¹**

	FY 18 \$	FY 19 \$	FY 20 \$	FY 21 \$
FY 18 Furlough Savings	(229,591)	-	-	-
SEBAC July 2018 Bonus	-	483,030	-	-
FY 20 - 3.5% General Wage Increase (GWI)	-	-	702,935	702,935
FY 20 – Merit Increase	-	-	413,914	615,214
FY 21 - 3.5% General Wage Increase (GWI)	-	-	-	727,537
FY 21 – Merit Increase	-	-	-	352,207
April 2018 Longevity Payment Paid in July 2018	(305,823)	305,823	-	-
FY 20 Increased Longevity Payments	-	-	21,611	21,611
FY 21 Increased Longevity Payments	-	-	-	22,367
Lump Sum at Maximum	-	-	167,701	217,928
Total Earnings	(535,414)	788,853	1,306,161	2,659,799
Social Security, Medicare, and Unemployment	(42,351)	62,398	103,317	210,390
Other Post-Employment Benefits (3%)	(16,062)	23,666	39,185	79,794
State Employee Retirement System (SERS) ²	(27,092)	31,791	52,638	107,190
TOTAL	(620,920)	906,708	1,501,301	3,057,173

¹ Source: February 1, 2019 Roster from CORE-CT

² The SERS impact will not be recognized until FY 21.

Wage Increases – Members took three furlough days in FY 18 for a wage savings of \$229,591. The FY 18 (April 2018) longevity payment of \$305,823 was delayed and was paid in FY 19 (July 2019).

This agreement establishes wage increases in accordance with the 2017 State Employee Bargaining Unit Coalition (SEBAC) Agreement. There were no wage increases in FY 17 or FY 18. In FY 19, members will receive a bonus payment of \$2,000 or top step lump sum plus \$1,000. This is estimated to cost \$483,030. In FY 20 and FY 21, employees will receive a General Wage Increase (GWI) of 3.5% as well as an annual increment; this is estimated to cost \$1.1 million in FY 20

and \$2.4 million in FY 21. Employees at the top step will receive a lump sum payment of 2.5% of their annual salary, estimated to cost \$167,701 in FY 20 and \$217,928 in FY 21. The longevity scales are increased by the 3.5% GWI in FY 20 and in FY 21. The additional cost estimate for longevity is \$21,611 in FY 20 and \$43,978 in FY 22.

Fringe Benefits - Social Security, Medicare, unemployment and retiree health related fringe benefit costs will be incurred based on the wage related provisions negotiated in the contract. The current Social Security rate is 7.65% of salary. The current unemployment rate is 0.26% of salary. The current state contribution towards retiree health is 3%. The estimated fringe benefit (savings)/costs are (\$58,414) in FY 18; \$86,064 in FY 19; \$142,502 in FY 20; and \$290,184 in FY 21.

Impact to Retirement - Employees covered by this contract are members of the State Employees' Retirement System (SERS). The pension impact of the wage related provisions are based on the following rates: (1) 5.06% in FY 18 which reflects the average normal cost for regular SERS employees in Tiers II, IIA and III as of the June 30, 2016 valuation, and (2) 4.03% in FY 19 to FY 21 which reflects the average normal cost for regular SERS employees in Tiers II, IIA, III, and IV as of the June 30, 2018 valuation. The total estimated retirement (savings)/cost is (\$27,092) in FY 18, \$31,791 in FY 19, \$52,638 in FY 20 and \$107,190 in FY 21. However, increased costs to SERS attributable to the identified wage provisions will not be recognized in the state's actuarially determined employer contributions (ADEC) until FY 21, as the FY 20 contribution is set based on the June 30, 2018 actuarial valuation.

Funding Availability - The PDS did not include funding for this contract in their FY 20-21 budget request. The Reserve for Salary Adjustments³ (RSA) General Fund account for collective bargaining costs associated with unsettled contracts and other related costs currently has adequate funding to transfer to PDS. Lastly, the provisions of this agreement remain in effect until a subsequent agreement is negotiated by the parties.

Member Overview – The agreement places 183 employees in the Division of Public Defender Services into the Local 381, AFSCME Council 4, AFL-CIO bargaining unit. The bargaining unit is comprised of employees in the following job classifications: Deputy Assistant Public Defender, Assistant Public Defender, Senior Assistant Public Defender, Supervising Assistant Public Defender, Director of Juvenile Post-Conviction, Chief of Psychiatric Defense Services and the Chief of Legal Services.

The Out Years

The agreement will expire effective June 30, 2021. The wage provisions of this resolution will remain in effect in future years subject to the outcome of the collective bargaining process.

³ The RSA account is used to finance collective bargaining and related costs that are not included in individual agency budgets.